

MINUTES
WATER QUALITY ASSURANCE REVOLVING FUND ADVISORY BOARD
Arizona Department of Environmental Quality Conf. Room 250, 1110 W. Washington Street,
Phoenix, Arizona
March 28, 2003

BOARD MEMBERS IN ATTENDANCE:

Kelly Barr	Phil McNeely
Frank Corkhill	Karen O'Regan
Lori Faeth	Chuck Shipley
Marty Jones for Tamara Huddleston	Lee Stein
David Kimball	Tom Suriano
Rick Lavis	Jim Vieregg
Karen Masbruch	

BOARD MEMBERS ABSENT:

Michael Conway	Janet Marcus
Karen Gaylord	Kerri Ann Wade
Will Humble	

The meeting was called to order at 9:15 a.m.

Action Items:

1. Marty Jones will send Chairman Lavis a detailed memo regarding the issue of the A.R.S. 492-292(C) language and suggested changes to the language.
2. ADEQ will submit a letter to the Board regarding recommendations and status of the compatible databases required by session law.
3. ADWR will provide a letter to Chairman Lavis regarding how ADWR plans to spend the current WQARF funding balance of \$840,000.

I. Welcome/Opening remarks/Administrative Issues

- A. Chairman Lavis updated the Board on his ongoing discussions with ADWR regarding the budget and coordination with ADEQ.
- B. Chairman Lavis reminded the Board that there is a committee roster in the agenda packet and to let him know of any additions or corrections.

II. Approval of February 28, 2003 Meeting Minutes - Ms. Barr made a motion to approve the February 28, 2003 meeting minutes; Mr. Suriano seconded the motion. The minutes were approved.

III. Department Report - Mr. McNeely went over the action items from the last meeting. There have been two QBS meetings since the last meeting. ADEQ is still working on the letter to Chairman Lavis regarding the database coordination. The ASRAC is currently out for bid. ADEQ continues to make progress on early response actions (ERAs) at 16th Street and Camelback, Broadway-Pantano, Central and Camelback, and Tyson Wash. There will

be an open house at Central and Camelback on Saturday, April 5 and a dedication ceremony at Broadway-Pantano on Friday, May 2. The remedial action at Vulture Mill is moving forward and ADEQ may be able to complete work at the entire site. Drilling at one of the East Central Phoenix sites has identified high levels of contamination.

A. NACEPT Committee Meeting - Mr. McNeely reported to the Board on ADEQ's participation in three panels in the NACEPT meeting on March 10 and 11: WQARF Program Panel; Redevelopment/SIBW Panel; and Community Involvement Panel. The NACEPT members were very impressed with Arizona's program.

B. IWU Report/Use of WQARF Funds - Mr. McNeely informed the Board that the estimated costs of the clean up activities at the Industrial Waste Utilization facility are approximately \$750,000 to \$800,000. WQARF funds are being used to cover these costs. The orders filed by ADEQ against IWU have been appealed.

IV. DWR/DEQ Data Coordination Report - Chairman Lavis sent a letter to both directors requesting response by March 26. ADWR provided a response but Chairman Lavis is still waiting on a response from ADEQ. ADEQ is working on a response and will forward it before the next Board meeting.

V. CAB Report - Jay Clapp, the Co-Chair of the South Mesa CAB provided a presentation to the Board on the history and status of the South Mesa site. Mr. Clapp stated that groundwater in the area was contaminated with PCE from 1979 to 1990 by Applied Metallica, a metal plating facility, which used tetrachloroethylene to degrease parts. In 1983, SRP detected PCE in their adjacent well; the South Mesa WQARF study was initiated in 1987. From 1994 to 1996, an air stripper was used to remove 1000 pounds of PCE and reduce concentrations in the groundwater from 350 ppb to 11 ppb. The site was placed on the WQARF Registry in August 1998 and the CAB formed in January 2001. The boundaries of the site have been determined (much smaller than originally predicted, 0.6 square miles from 20 square miles). Well sampling shows a 1.5 mile long by 0.5 mile PCE plume, with 100 ppb at source and 10 ppb at other end of plume. He recommended that more groundwater samples be taken to track the concentrations and trends; there is a need to reduce lab costs so more samples can be taken; the WQARF process may be too slow in responding to pollution; and that action should be taken as soon as pollution is identified.

VI. Committee Reports

A. Ad Hoc Qualified Business Settlement Committee - meetings; handout. Marty Jones was asked to provide language to be discussed at next meeting on April 8.

B. Ad Hoc PRP Review Committee - The PRP Review Report will be provided to the Board prior to the next Board meeting.

C. Legislative Committee - H.B. 2264 is moving through the process; some changes have been made. H.B. 2264 is scheduled for hearing Tuesday in the Senate. ADWR has provided a suggested change to the amendment. Mr. Viereggs asked what

“shall” means with regard to “up to”; Chairman Lavis responded that shall means mandatory, and up to means \$0 to \$800,000. Mr. Kimball asked if ADWR’s intent with the “as determined. . .” language was to define what support services are provided. Mr. Corkhill responded no, ADWR means to negotiate work with ADEQ, but the language is meant to give to ADWR flexibility on staffing levels. Mr. Kimball responded that ADEQ Director should be added to the language if that is the intent; that the way the language reads now, the Director of ADWR has that authority alone. Mr. Shipley asked why the language is becoming so detailed; the only thing that ADEQ and ADWR need to agree on here is the funding and work to be performed. Mr. Viereggs agreed with Mr. Shipley. Ms. Barr stated that if the Board makes Mr. Kimball’s suggested change, the language is basically what it was before ADWR’s suggested change. Chairman Lavis clarified that the funding debate was in view of carry-over, did ADWR need the \$800,000, especially since 50% of the funds were going to indirect costs and not to the program; the \$800,000 was supposed to go the program. The Board wants ADWR involved and wants to ensure enough funding for agreed upon work. Ms. Barr stated that additional discussions with the directors of ADWR and ADEQ are needed. Mr. Shipley stated that he is opposed to the continuation of the automatic transfer of funding to ADWR. The Board has been asking for an accounting of the money and still has not seen what the program has received in return for the money.

Chairman Lavis addressed the annual report requirement. He suggested adding the JLBC report requirements to the annual report and keeping the annual report to minimize the number of reports. The JLBC wants the report to be sent to the staff director of the JLBC. Mr. McNeely requested that the due dates of the two reports be resolved so that the due date for the annual report and the JLBC annual report are the same. Ms. Barr confirmed with the Board that there was consensus on this item.

Ms. Barr referred to the amendment by Mr. Kimball regarding the threshold issue. Mr. Kimball updated the Board on meetings regarding the E&E scoring model and how modifying this model will address the threshold concern. The person who developed EPA’s HRS model has reviewed the E&E model and provided feedback and agreed to work with ADEQ to refine the model to determine a better idea of the variation in threat of risk. The E&E model only provides information on the relative threat of risk, not actual risk. Besides risk, there are other components to be looked at when listing a site. Mr. Kimball suggested adding reporting requirements to the amendment to address how ADEQ is addressing the issue and taking out the threshold language. Ms. Barr confirmed with the Board that there was consensus on this item.

Ms. Barr went over additional changes including elimination of the annual Registry newspaper publication and annual statewide public meetings requirements, as well as changing language so that community involvement plans can be updated at least once every two years rather than every year.

Mr. McNeely discussed the proposed changes to A.R.S. 49-292(C) language to clarify that parties who wait can not get credit from parties who’ve settled early and paid more than their share. Mr. Viereggs asked Marty Jones to clarify

“innocent” taxpayer, and Mr. Jones responded that the point was to prevent an increase in orphan share. Mr. Suriano stated that it was never the intent to allow responsible parties to pay less than their fair share and that he supported the suggested language change. Mr. Vieregg stated that he wanted to take some time to review the suggested language and the explanation that Mr. Jones had written up. Ms. Barr suggested that the decision on this language change be held for further review. It will not be included in the changes to be heard on Tuesday, but can be added back in later with any agreed upon qualified business settlement language. Ms. Barr confirmed that no additional changes would be added to this amendment after today’s Board meeting. Ms. Barr handed out a schedule for appointments to discuss H.B 2264 with legislators and asked Board members to volunteer for assignments to meet with legislators to discuss the bill. Mr. McNeely reminded the Board that the confirmation hearing for Steve Owens is also on Tuesday.

- D. Funding Priorities Committee** - Chairman Lavis updated the Board on the last meeting and noted that future meetings are being scheduled. Ms. Gaylord is doing a great job.
- E. Budget Committee** - Mr. Shipley updated the Board on the March 14 meeting. ADEQ is on track with expenditures; the percentage spent looks lower because of the time it takes to receive invoices from contractors. The committee has reached consensus on the ADWR funding proposal. The next meeting is scheduled for April 11. Mr. Kimball pointed out the importance of the budget issue and the Board’s role. Mr. Kimball corrected a statement from the January meeting minutes regarding the Appropriations Committee’s recommendation to reduce WQARF’s core costs to 10% to 15% rather than by 10% to 15%.

Chairman Lavis noted that with H.B. 2002, ADWR may now use WQARF funding for operating expenses. There is currently a balance of \$840,000 in WQARF funding at ADWR that could be used for anything the Director chooses. Mr. Corkhill will provide a letter to Chairman Lavis regarding how the money will be spent and Chairman Lavis will distribute the letter to the Board.

- VII. Other Business** - Ms. Barr clarified with the Board that the legislative amendment work to follow this meeting will only address ADWR, 49-292(C) language and qualified business settlements. Nothing new will be taken on at this point.
- VIII. Public Comment** - No comments from the public were received.
- IX. Adjournment** - Ms. O’Regan made a motion to adjourn; Mr. Shipley seconded the motion. The meeting was adjourned at 11:05 a.m.